

**MANITOBA
ENERGY
AUTHORITY**

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M. Eliesen
Chairperson &
Executive Director

September 31, 1984

The Honourable Wilson Parasiuk
Minister Responsible for the
Manitoba Energy Authority
309 Legislative Building

Dear Sir:

In accordance with Article 33(1), Chapter E112 of the
Manitoba Energy Authority Act, I am pleased to submit the Third
Annual Report of the Manitoba Energy Authority covering activities
from April 1, 1983 to March 31, 1984.

Marc Eliesen

Marc Eliesen
Chairman
Board of Directors
Manitoba Energy Authority

MANITOBA ENERGY AUTHORITY

ANNUAL REPORT

Year Ended March 31, 1984

MANITOBA ENERGY AUTHORITY

BACKGROUND:

The Manitoba Energy Authority was established by the Manitoba Energy Authority Act, assented to on July 29, 1980.

The Board of Directors for the year were:

Chairman	- Marc Eliesen
Vice-Chairman	- Saul Cherniack
Members	- John Arnason - Alan Puttee - Ronald Bailey

The Act calls for the establishment of an Electrical Energy Marketing Committee and an Energy Allocation Committee. Since inception, the Board of Directors of the Manitoba Energy Authority has handled the responsibilities of each of these committees.

ACTIVITIES OF THE MANITOBA ENERGY AUTHORITY

The Act established the following functions for the Electrical Energy Marketing Committee:

- a) To investigate potential extra-provincial markets for electrical energy;
- b) To negotiate or direct negotiations for the sale or purchase of electrical energy exported from or imported to the province.

During the 1983/84 year, the Electrical Energy Marketing Committee undertook studies on a variety of potential extra-provincial sales. The work was concentrated in the study and analysis of potential sales to the Western Area Power Administration (an American agency responsible for the Federal electric power marketing and transmission functions in fifteen central and western states) and to a group of eight utilities in Wisconsin and Minnesota (the 'Wismintoba' group). These activities were still in process at year end.

On July 12, 1983 a Letter of Intent was entered into by Manitoba Hydro, the Electrical Energy Marketing Committee of the Manitoba Energy Authority and the Minnesota/Wisconsin Power Suppliers Group (a group of nine utilities). The Letter set forth the intention of the parties to study and pursue the possibility of a sale by Manitoba Hydro of approximately 1,100 megawatts of firm capacity over a 20 to 30 year period beginning in 1992.

On March 8, 1984 the Manitoba Energy Authority signed a Memorandum of Understanding with Northern States Power Company of Minneapolis for the sale of 500 megawatts of power at a 75% capacity factor over the 1993-2005 period. The Manitoba Energy Authority together with Manitoba Hydro and Northern States Power agreed to use their best efforts to complete a contract based on the concepts specified in the Memorandum of Understanding within three months.

On March 28, 1984 a Letter of Understanding was signed by the Aluminum Company of America and by Manitoba. In the Letter the parties agreed to undertake a Joint Study detailing the engineering, economic, environmental and other factors affecting the construction and operation of an aluminum smelting enterprise in Manitoba. Manitoba stated to Alcoa that it was prepared to participate in the funding of and the results from the project through the Manitoba Energy Authority.

The Authority approved the agreement reached between the Manitoba Hydro-Electric Board and Northern States Power Company of Minneapolis, Minnesota regarding the summer 1987 and summer 1988 pricing arrangements for the 200 megawatt peaking power sale which covers the period 1980 to 1992.